



# Office of the City Auditor

*Laura L. Doud, CPA*

## ***FY 2007 Proposed Budget***

Presented to the Mayor and City Council

August 22, 2006

# Overview

- Mission Statement
- City Charter Mandates
- Additional Services Provided
- Goals and Priorities
- FY 2007 Proposed Budget

# Mission Statement

- Promote excellence in government
- Protect the public's interest and assets
- Ensure that all City revenues are collected and used efficiently and effectively
- Provide stewardship and transparency in the use of City funds in order to improve the quality of, and confidence in, City decision making

# City Charter Mandates

The City Auditor shall:

- Be the general auditor of the City and of every department, commission, and office thereof
- Examine and audit the books, records, accounts, funds, and securities of all departments, commissions, and offices of the City
- Make and file a written report to the City Clerk regarding the Comprehensive Annual Financial Audit (CAFA-CAFR)
- Review all systems and procedures for the disbursement of City funds
  - The City Auditor's office annually reviews approximately 100,000 vendor payments



# City Charter Mandates (continued)

The City Auditor shall:

- Review all systems and procedures relating to the receipt of funds by the City
  - Central repository for all contracts and leases
  - Charged with reviewing and monitoring these agreements for revenue compliance
- Verify the cash in the City Treasury at least once per quarter and make a written report to the City Council
  - The last Quarterly Cash Audit was submitted to the City Council from the City Auditor's office on June 20, 2006 for the quarter ending December 31, 2005
  - The City Auditor's office is in the process of bringing the last two Quarterly Cash Audits up to date

# Additional Services Provided

Traditionally, the City Auditor provides additional services which include:

- Working with City departments in response to audits and other financial concerns
- Providing recommendations for increased efficiencies and effectiveness within City departments
- Investigating and reporting potential abuses of public funds

# Examples of Additional Services in Progress

- Participate in monitoring the City's budget process
- Address Queen Mary situation
- Revise citywide reimbursement policy
- Participate in optimization studies

***We continue to welcome and invite requests for services***

# Goals and Priorities

## ***1. Audit the City Auditor's office***

- Utilize outside auditor to ensure an objective process free of political influence
- Seek recommendations to maximize efficiency and effectiveness of the office
- Inventory all audits of the past five years
- Issue report to Mayor, City Council, and City residents



# **Goals and Priorities** (continued)

## ***2. Perform Revenue Compliance Audits***

- Analyze major revenue sources
- Monitor revenue to ensure that funding sources are reliable for the future
- Avoid structural budget deficit
- Ensure the City has continued funding for vital City services

# Goals and Priorities (continued)

## ***3. Conduct Internal Control Audits***

- Ensure proper controls are in place to protect City assets and capture all revenue due
- Educate and train City employees and managers on effective internal controls and fraud prevention
- Provide findings and recommendations on internal control assessments to Mayor, City Council, and City residents

# Goals and Priorities (continued)

## ***4. Promote Use of Fraud Hotline***

- 24-hour fraud hotline
- Able to leave confidential message that will receive follow-up action
- Fraud hotline phone number:  
(562) 570-6019

# Goals and Priorities (continued)

## ***5. Increase Transparency and Communications***

- Establish open communication with public, elected officials, and City departments
- Develop greater visibility and presence throughout the City
- Attend neighborhood meetings and conduct community forums
- Upgrade City Auditor website and post audits in a timely manner



# FY 2007 Proposed Budget

## (in thousands)

	Adopted 2006	Proposed 2007	Variance
Salaries	\$1,654	\$1,569	(\$85)
Employee Benefits	\$618	\$731	\$113
Subtotal	\$2,272	\$2,300	\$28
Materials, Supplies, & Svcs.	\$340	\$340	\$0
Internal Support	\$100	\$148	\$48
<b>TOTAL</b>	<b>\$2,712</b>	<b>\$2,788</b>	<b>\$76</b>
Staffing - FTE	22.00	18.60	(3.40)



# Office of the City Auditor

*Laura L. Doud, CPA*

## ***FY 2007 Proposed Budget***

Presented to the Mayor and City Council

August 22, 2006